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2019 330 w/s

ACCEPTED FOR PROCESSING - 2019 October 15 2:23 PM - SCPSC - 2019-330-WS - Page 1 of 3

Duke, Daphne

From: Mike Guastella <mig@guastella.com>

Sent: Tuesday, October 15, 2019 9:09 AM

To: Boyd, Jocelyn <Jocelyn.Boyd@psc.sc.gov>

Subject: [External] Daufuskie Island Utility Company and Haig Point Club - Main Extension Agreement

Ms. Boyd,

I am submitting the attached 'Main Extension Agreement' for approval by the Public Service Commission. The Agreement is a joint effort between DIUC and HPCCA. This Agreement has also been submitted to the Office of Regulatory Staff. Please advise accordingly.

Regards,

Mike Guastella

**Vice President
Guastella Associates, LLC**

Manager of Daufuskie Island Utility Company, Inc.

888-635-7878

RECEIVED
OCT 15 2019
PSC SC
MAIL / DMS

Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477
888-685-7878

BY EMAIL

October 3, 2019

Tim Richards
Director of Property Services
Halg Point
10 Halg Point Circle
Hilton Head, SC 29928

RE: Main Extension Agreement
Halg Point Club Cottages
Clubhouse Lane, Daufuskie Island, SC
R800 022 000 0031 0000

Mr. Richards,

This Main Extension Agreement ("Agreement") is per your request as the Director of Property Services, on behalf of the Halg Point Club and Community Association ("HPCCA"). Daufuskie Island Utility Company ("DIUC") will provide water and sewer service according to state regulatory requirements and the terms of the Agreement.

- 1) In order to protect the other utility customers and the utility investors from any financial impact through the rate setting process, HPCCA assumes any and all financial responsibility of the installation of the main extension, in accordance with the Project Plans ("Project") submitted to DIUC by Ward Edwards Engineering. HPCCA also assumes any and all responsibility for costs incurred by DIUC as it relates to and in connection with the Project, including but not limited to legal, administrative, operational, taxation and environmental.
- 2) The Project must comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities and approved by DIUC. The Agreement will be subject to the guidance and/or approvals of the South Carolina Public Service Commission ("PSC"), South Carolina Office of Regulatory Staff ("ORS") and the Department of Health and Environmental Control ("DHEC"). The Agreement does not replace and or supersede any documentation as required by the aforementioned regulatory agencies.
- 3) HPCCA agrees that the project will be completed by South Carolina licensed, bonded and insured utility contractor(s).
- 4) HPCCA will be contributing the facilities and the cost of the following portion(s) of the Project: the connection to existing 10" water main along Clubhouse Lane up to the customer side of the meter and the portion of new sewer force main connecting to an existing manhole relative to the current easements for DIUC facilities. DIUC will confirm the contributed portion of the Project according to the "as built" plans upon availability.

- 5) HPCCA will provide DIUC with the following documentation: easements of sufficient width for perpetual access to repair, replace and maintain the contributed portion of the Project, all invoices designating the value of the contributed portion of the Project (engineering, permitting, constructing, insuring etc.), detailed "as built" plans as prepared by a licensed surveyor.
- 6) Upon completion of the Project, HPCCA will provide DIUC with an acknowledged Bill of Sale transferring the portion as designated in Item (3) to DIUC, which will remain the property of DIUC and its heirs and successors, and will be treated as contributed for rate setting purposes.
- 7) HPCCA shall not for any reason be entitled to any refunds with respect to the main extension or future extension or use of these facilities.
- 8) Service will be provided subject to compliance with the terms of this Agreement, regulatory requirements and reasonable amendments as adjudicated by DIUC, and without any outstanding balances or amounts due related to the Agreement as well as HPCCA's general water and sewer accounts.

This is a joint effort between DIUC and HPCCA and upon its execution, the Agreement will be submitted to the ORS for its review and PSC approval, if required.



Tim Richards
Director of Property Services
HPCCA

GUASTELLA ASSOCIATE, LLC
Manager of DIUC,



Mike J. Guastella
Vice President of Operations